AMENDMENTS TO THE CLAIMS

This listing of the claims will replace all prior versions including the claims in the application.

Listing of the claims:

1. (Cancelled)

2. (Currently amended) The method according to claim 3~~1~~ wherein the disease is selected from the group consisting of ~~non-diabetic nephropathy,~~ diabetic nephropathy, insulin resistance, diabetic neuropathy, diabetic retinopathy, myocardial infarction, cataracts and diabetic cardiomyopathy.

3. (Cancelled)

4. (Original) The method according to claim 2 wherein the disease is diabetic nephropathy.

5. (Original) The method according to claim 2 wherein the disease is insulin resistance.

6. (Original) The method according to claim 2 wherein the disease is diabetic neuropathy.

7. (Original) The method according to claim 2 wherein the disease is diabetic retinopathy.

8. (Original) The method according to claim 2 wherein the disease is myocardial infarction.

9. (Original) The method according to claim 2 wherein the disease is cataracts.

10. (Original) The method according to claim 2 wherein the disease is diabetic cardiomyopathy.

11. – 13. (Cancelled)

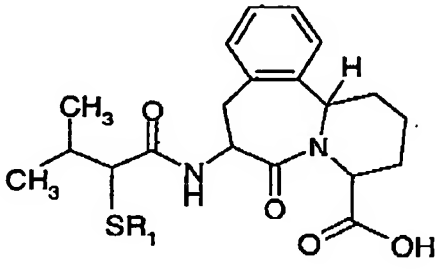
14. (Currently Amended) The method according to claim 3~~1~~~~3~~, wherein R_1 is acetyl.

15. (Currently Amended) The method according to claim 3~~1~~~~3~~, wherein R_1 is hydrogen.

16. (Currently Amended) The method according to claim 3~~1~~~~3~~, wherein B_1 and B_2 are hydrogen.

17. (Currently Amended) The method according to claim 3~~1~~~~3~~, wherein X is – CH_2.

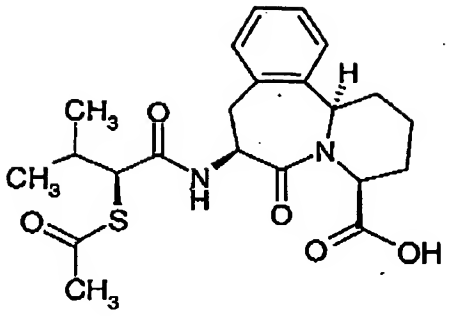
18. (Currently Amended) The method according to claim 3~~1~~, wherein the compound is the compound of formula (II-A)



(II-A),

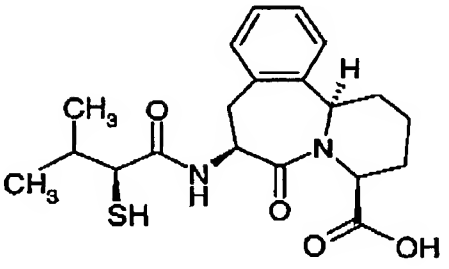
wherein R_1 is acetyl or hydrogen.

19. (Original) The method according to claim 18, wherein the compound has the formula (II-B)



(II-B).

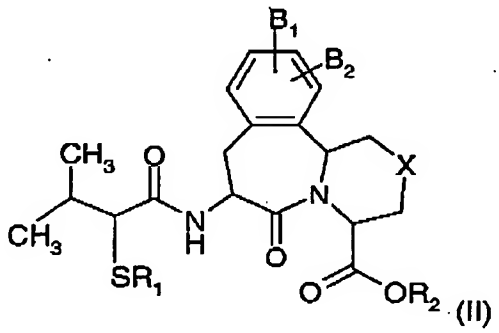
20. (Original) The method according to claim 18, wherein the compound has the formula (II-C)



(II-C).

21.-30. (Cancelled)

31. (New) A method of inhibiting both angiotensin converting enzyme and neutral endopeptidase for treatment of a disease amenable to treatment with a compound that inhibits both angiotensin converting enzyme and neutral endopeptidase which comprises administering to a patient in need of said treatment a therapeutically effective amount of a compound of formula (II)



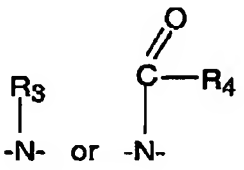
(II)

wherein

R_1 is hydrogen or acetyl;

R_2 is hydrogen, $-CH_2O-C(O)C(CH_3)_3$, C_1-C_4-alkyl, aryl, -(C_1-C_4-alkyl)-aryl, or diphenylmethyl;

X is $-(CH_2)_n$ wherein n is an integer 0 or 1, -S- , –O- ,



wherein R_3 is hydrogen, C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl; and R_4 is CF_3, C_1-C_{10}-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl;

B_1 and B_2 are each independently hydrogen, hydroxy, or $-OR_5$, wherein R_5 is C_1-C_4-alkyl, aryl, or -(C_1-C_4-alkyl)-aryl or, where B_1 and B_2 are attached to adjacent carbon atoms, B_1 and B_2 can be taken together with said adjacent carbon atoms to form a benzene ring or methylenedioxy,

or a pharmaceutically acceptable salt or stereoisomer thereof.